



Being positive about

age diversity **at work**

A practical guide
for business

AGE POSITIVE
www.agepositive.gov.uk

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Estimates of the cost to the economy of ageism in employment range from £16 billion (Winning the Generation Game, Cabinet Office, 2000) to £31 billion (Ageism: Too Costly to Ignore, Employers Forum on Age, 2001) every year.



Foreword

In 1999 I wrote the foreword for the Code of Practice on Age Diversity in Employment. The code, which is voluntary, has already helped many employers to change their employment practices for the better. But we still need to do a lot of work to tackle age

discrimination in the workplace, which is why we have produced this updated version of the code.

Why does age discrimination still affect the way some employers work? Surely, the aim of any sensible employment strategy is to find the right employee for the job, encourage them to develop, and continue to benefit from their skills, knowledge and experience for as long as is reasonable.

There are proven advantages to having a workforce of different ages. Organisations ranging in size from international banks to small local companies have already realised that employers who discriminate unfairly lose out.

Being positive about age is not about comparing stereotypes of older and younger workers - it's about building an effective workforce of different ages. It's also about making sure that employees have the skills and the support they need to develop their own potential and improve business performance.

This updated version of the code doesn't lecture employers about what they should do. Instead, it asks them to think about what they could do to remove age discrimination from their employment practices. It includes employers who are already positive about age talking about what they have achieved and how they have benefited.

The guidance from the original version of the code is presented as a series of brief questions. I hope that employers reading it will be able to answer 'Yes' to all of these.

A handwritten signature in black ink that reads "Andrew Smith". The signature is written in a cursive, flowing style.

Right Honourable Andrew Smith
Secretary of State for Work and Pensions

A code of practice

'Age diversity at work' means employing people of all ages, and not discriminating against someone because of how old they are. The code covers good practice in six areas of employment.

- + **Recruitment**
Based on skills, ability and potential
- + **Selection**
Based on skills and ability
- + **Promotion**
Based on ability or potential
- + **Training and development**
Encourage all employees
- + **Redundancy**
Be unbiased and use employees' skills
- + **Retirement**
Consider individual and business needs

The main factor in successfully delivering good practice is the genuine commitment of management to put it into practice and communicate it throughout the organisation and beyond.

Measures of success

Employers who follow the simple principles set out in the code of practice will want to be sure that changes to their employment practices are having a positive effect.

The following list of measures does not cover everything, but it does support the advice offered by the code.

Recruitment

- + People from all age groups apply for jobs.

Selection

- + People who select new employees are trained in equal opportunities.
- + Monitoring shows that age is never an issue.

Promotion

- + Employees understand your policy on promotion and career development, and think that it is honest.
- + There is a mixed-age workforce at all levels.

Training and development

- + People of all ages take up training and development opportunities.
- + Results are monitored.

Redundancy

- + Redundancy procedures are used that are based on business needs rather than age.
- + Employees and their representatives are involved in planning for redundancy.

Retirement

- + There is an agreed, flexible and fair retirement policy, which all workers know about.



Around one in four people aged 50 to 69 have experienced age discrimination when working or looking for work.

Evaluation of the Code of Practice on Age Diversity in Employment, Department for Work and Pensions, 2001

Are you already positive about **age**?

Many employers are already reaping the rewards of having a workforce made up of different age groups. Here's a quick checklist to see if you're one of them.

- + Are all your employees aware that your equal opportunities policy includes being positive about age?

- + Have you reviewed your existing employment procedures and policies, and removed any age discrimination?

- + To check that there are no hidden age barriers in your recruitment, selection and promotion processes, do you record the number of candidates of different age groups who are:

- + applying;
- + short-listed;
- + interviewed; and
- + appointed?

- + Do you encourage employees of all ages to develop their potential?

- + Have you removed age as a factor when making decisions about redundancy?

- + Do you offer employees fair and flexible retirement options?

- + Do you have a good spread of ages at all levels in your organisation?

If you have answered 'Yes' to all these questions, we'd like to hear from you. By being part of the 'Age Positive' campaign, you'll be able to share your experiences with other employers and raise your own profile as an employer of choice.

Visit **www.agepositive.gov.uk**
or e-mail us at **agepositive@dpw.gsi.gov.uk**

Recruitment – send the right message

By using age as a recruitment condition, you are showing potential employees that you are an employer who discriminates unfairly. Be an employer of choice. Make it clear that you recruit people on the basis of their skills and ability, not their age.

In your job adverts, you should:

- + avoid giving age limits or age ranges;
- + avoid age restrictions, such as 'young graduates', 'mature person' or 'according to age and experience'; and
- + where possible, ask for relevant experience, skills and ability rather than insisting on particular qualifications. For example, a phrase like 'Only people with GCSE English need apply' will exclude all those who left school before GCSEs were introduced. A better phrase might be 'Good communication skills required'.

Do you think about where and how jobs are advertised?

- + Younger people might be more likely to use careers advice services, Jobcentre Plus and newspapers.
- + Older people might rely on community and business networks.
- + Do you make sure that application forms only ask for job-related information?

If you use recruitment consultants, do you make sure that they know you are positive about age?

Eden Brown

Eden Brown is a recruitment, training and human resources consultancy with offices around the country. In November 2000, Eden Brown was the first company to receive the Government's Age Diversity in Recruitment Award of Excellence.

"Eden Brown is a remarkable company of people who believe passionately in diversity in employment. The company has moved the issue of age diversity forward to a degree that far outweighs the achievements of many, much larger, organisations.

We aim to attract, develop and retain the best and most diverse talent in a sector that is traditionally perceived as 'young'; and to become known as an 'employer of choice'.

Our policies and procedures have been thoroughly overhauled. Regular

monitoring has proved the effectiveness of new procedures in improving the age profile of the company and that of our contractors.

A human resources member is present for every interview, ensuring that our new policies are a) adhered to, and b) explained to potential employees.

We have implemented new advertising standards, which include no mention of, or indirect reference to, age. We provide Age Positive training to clients, and over the last four years our external campaign has been phenomenally successful in terms of media interest and has clearly affected attitudes among our clients."

Ian Wolter, Managing Director

Natural Gas Services Ltd

"Natural Gas Services Ltd was set up in 1995 by five former British Gas engineers and managers in their 40s and 50s. Instead of planning for early retirement, we set up our own company. We now run a successful gas installation and service company based in Hull, which has increased turnover threefold.

We first read about Age Positive in our local newspaper and registered our interest right away. We had already operated an Age Diversity

Policy for some time but felt it would be more beneficial to have it written down. The Policy is now communicated to all staff via newsletters and Development Group Meetings.

We recruit from all age groups - 48, 31, 18, 26. Each end of the scale has something to give and learn - and that benefits our staff and the company as a whole."

Roy Bailey, Managing Director

Selection – increase your percentage

Selecting new employees can take time, and may include a number of different stages, for example, sifting, interviewing and testing. Allowing age discrimination to creep in at any stage can restrict your access to good candidates by as much as a quarter, if not more. You may overlook the best person for the job.

Don't make it harder for yourself - select fairly and consistently, based on individual ability.

When sifting through applications, do you focus on skills, abilities and potential and ignore age? Some 'Age Positive' employers use application forms that allow them to remove details of age, sex, ethnic origin, and so on until after the selection process.

Do your interviewers:

- + know that age should not affect who they select;
- + only ask job-related questions;
- + have a good knowledge of your equal opportunities policies;
- + plan the interviews to make sure standards and techniques are fair and consistent;
- + record assessments of candidates against agreed selection conditions; and
- + where possible, represent a good mix of ages?

If you use work-related tests, do you make sure that they do not discriminate against people of certain ages?

Guidance

Domestic and General

Domestic and General is a leading UK specialist provider of protection plans for repairing domestic appliances.

To avoid age discrimination at the initial recruitment stage, Domestic and General have introduced interviewing people over the phone. There are two main benefits - telephone interviews reduce any possible age discrimination and allow the individual's phone skills to be tested.

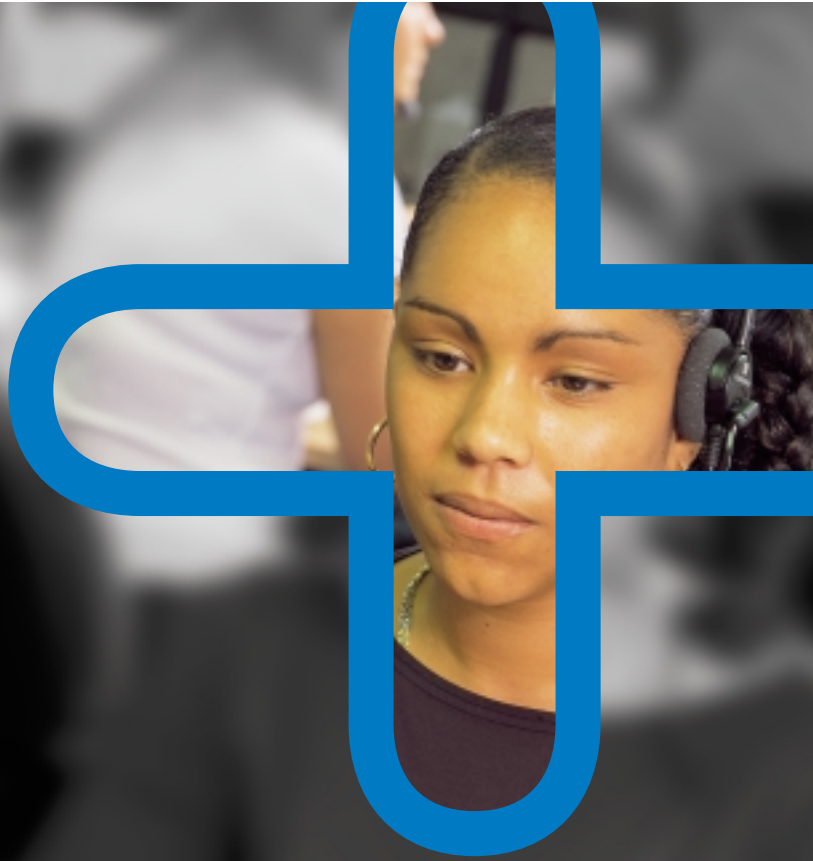
People who are successful in the phone interview are invited to a selection day run by company personnel representing a wide range of ages.

Although there are no detailed figures for the total savings made by recruiting older workers, the company's schemes for employing and keeping mature workers are estimated to have reduced recruitment costs by 50%.

Ealing Family Group

Ealing Family Group provides social housing and associated services to people in need. It also runs community-development projects, and two daycare centres for members of the Asian community, particularly the elderly. The group is made up of several companies and employs more than 200 staff - a quarter of whom are aged over 50.

The organisation benefits from its overall age policy for recruiting and keeping staff members. It can employ people from the largest possible labour market because of the way in which it words its recruitment adverts and the non-discriminatory approaches it uses to interview and appoint new employees.



Around eight out of ten young people believe that age discrimination is widespread.

Ageism: attitudes and experiences of young people.
Department for Work and Pensions, 2001

Promotion - encourage progression

A promotion strategy that uses age as a factor will not be efficient. The best promotion systems are based on ability, judged in terms of:

- + measurable performance;
- + demonstrated potential; and
- + the ability to achieve the aims of the post.

Many of the principles of effective promotion are the same as those of effective recruitment and selection.

Do you:

- + make sure that promotion opportunities are made available to all staff;
- + focus on the skills, abilities and potential of candidates when sifting through applications;
- + make sure that interviewers are aware of the need to ask only job-related questions;
- + use, where possible, an interview panel made up of people of different ages;
- + make sure interviewers avoid basing decisions on prejudices and stereotypes; and
- + promote people because of their ability, rather than their age?



**36% of the workforce
in Britain will be aged
45 or over by 2005.**

Code of Practice on Age Diversity in Employment,
Department for Education and Employment, 1999

HBOS plc

HBOS plc was formed in 2001 when the Halifax and the Bank of Scotland merged. The new company provides financial services for millions of people.

"At HBOS, we aim to have the best and most highly motivated workforce.

An essential part of our employment proposition is to ensure that colleagues remain confident that any promotion decisions within the organisation are competency-based, development-focused and consistently applied.

It is important that colleagues are able to recognise a culture

where everyone is encouraged to develop to their full potential, irrespective of their age.

Colleague motivation and advocacy is therefore measured by our annual opinion survey, as well as a monthly tracking of views through questionnaires and telephone interviewing.

Retaining the best talent, irrespective of age, not only meets our business needs, but is consistent with our values of fairness and respect, which I believe keeps HBOS at the vanguard of leading-edge employers."

James Crosby, Chief Executive

Kappa Packaging

Kappa is the third-largest manufacturer of packaging in Europe. It employs 83 members of staff at its premises in Abercarn, South Wales.

It is company policy to openly advertise promotion opportunities internally, and decisions are based on an employee's ability to carry out

the duties and meet the responsibilities of the new post. A third of the workforce is aged 50 and over, and more than three quarters are over 40.

Kappa's employee policies have led to stability within a workforce which is gradually becoming older. The company is very comfortable with this.

Training and development - develop your advantage

Some employees may put up their own barriers to effective training and development. Older workers may lack confidence, or feel they are too old. Younger workers may not think they need training.

Research has shown that both older and younger workers respond to training and are equally capable of development.

In an ever-changing market, flexibility is one of the keys to growth.

Firms that fail to encourage all employees to broaden their skills and knowledge are likely to find themselves with an inflexible workforce who resist new and creative ideas and lack vital up-to-date skills.

You should encourage all employees to take advantage of relevant training opportunities.

Do you:

- + make training available to all employees no matter how old they are;
- + use employees who have successfully completed training as role models to encourage less willing employees;
- + take account of the different ways individuals learn (someone who is not used to formal learning may need help on a classroom-based course, and a person who has just left full-time education may not be used to informal workplace learning);
- + carry out regular skills audits to find out who has what skills;
- + regularly review the training needs of all employees; and
- + evaluate training and development to make sure that employees benefit as much as possible?

Guidance

Better Prospects

Better Prospects is an independent recruitment and training company.

"Better Prospects has been actively encouraging the training and employment of all ages for some time. Having realised the need for an adult learning provision, we introduced the 'Silver Surfers' learning club - a specialist IT learning club for the over 55s. This programme is going from strength to strength. One of our oldest trainees is aged 86.

By continuing to promote good practice we benefit from excellent staff retention and qualified and knowledgeable employees. Our own staff range in age from people in

their teens to those in their sixties, and deliver a professional and efficient service, showing age diversity at its best.

By adopting and embracing our equal opportunities policy we benefit from building excellent relationships with both our candidates and clients. All our initiatives have captured the interest of the local media and our message has been clear for some time. Age diversity and equal opportunities are an integral part of what we do and we will continue to promote diversity and equality in all the areas that we operate in."

Simon Gotch, Managing Director

The Union Learning Fund

The Union Learning Fund was set up by the Government in 1998 to help trade unions use their influence with employers, employees and others to encourage more people to learn at work. So far, it has benefited over 28,000 people in the workplace through projects ranging from tackling basic-skills needs to advanced professional development. People of all ages are invited to take part.

The GPMU (Graphical, Paper and Media Union) in Greater London is running one project out of the 120 that are currently underway. Many GPMU members work for employers with fewer than 20 staff and have little access to learning. The project aims to increase members'

employment prospects by:

- + increasing their skills;
- + setting up a learndirect learning centre; and
- + encouraging on-line learning.

The centre will also be open to workers' families.

The project manager also decided to write to retired GPMU members to find out if they would be interested in getting involved in this project. To his surprise, 2000 members replied and there have now been six information technology courses for retired union members. He has received many letters of thanks, including one from the oldest person to take part who is 87.



**By 2010, almost 40%
of the workforce will be
aged 45 or over.**

Code of Practice on Age Diversity in Employment,
Department for Education and Employment, 1999

Redundancy - reduce damage

Using age as a condition when selecting people for redundancy can lead to the unnecessary loss of vital corporate skills and abilities. Employers should make unbiased job-related decisions, based on important factors such as performance and skills, when choosing people for redundancy.

Are you forward thinking?

- + Do you involve employee representatives in planning and drawing up procedures for handling redundancy long before they are likely to be put into practice?
- + Are all employees aware of the agreed procedures and aware that decisions will not be based on age?

Compulsory redundancies can demoralise workers and may damage an employer's reputation. It often pays to be creative when looking for other options.

Have you considered:

- + asking for volunteers;
- + part-time working;
- + secondments;
- + natural wastage;
- + career breaks;
- + job sharing;
- + retraining; or
- + moving people to other departments or teams, or even to other companies?

You can get more information on redundancy in the Arbitration and Conciliation Advisory Service (ACAS) booklet, 'Redundancy Handling', and in the Department for Trade and Industry booklet, 'Redundancy, Consultation and Notification'.



By 2011, 35% of the population will be aged over 55 and 18% will be aged between 45 and 55.

Office for National Statistics

J Sainsbury

J Sainsbury is a leading food retailer, with other interests in financial services and property.

Sainsbury's redundancy policy clearly states that age must never be used as a factor in redundancy decisions. The company targets recruitment campaigns at people over 65, and age has been removed from application forms. Personal details like age are only used for monitoring purposes.

"We are totally committed to the Age Positive campaign. It makes sound business sense to maximise

on the changing demographics of Britain by investing in the older worker as well as the young. We are dedicated to providing a working environment in which everyone feels valued, respected and able to contribute to the success of the business, and to employing a workforce that recognises the diversity of our customers and potential customers."

Glyn House, Equality and Diversity Manager

Nordam Group, Blackwood

NORDAM Europe Limited is a joint venture with the General Electric Aero Engine Services Ltd. The Blackwood (Nordam Europe Limited) facility repairs jet nacelles (engine casings), thrust reversers and flight-control surfaces, and employs 180 workers, 16 of whom are over 50.

Recently, the company had to make several employees redundant. The company's redundancy policy had several options including looking for volunteers, reducing the workload and applying unbiased selection conditions. The last option was chosen and no worker was selected for redundancy because of their age.

Retirement - prevent wastage

Many employers have rejected compulsory retirement ages, allowing employees to work for as long as they are able to. This doesn't mean forcing people to work longer - it means giving them the choice.

So-called 'cliff-edge' retirement, where people go straight from full-time employment to full retirement, is a problem for both employees and employers. To maintain staff morale and avoid losing valuable skills, make sure that retirement schemes:

- + are applied fairly;
- + are flexible; and
- + take account of individual and business needs.

Have you:

- + agreed a fair and consistent retirement policy with employees;
- + set up mentoring schemes where employees approaching retirement coach younger employees, so that key skills and knowledge are not lost;

- + taken account of the different types of pension provision (see note 1 below);
- + considered flexible (see note 2 below) or extended retirement options, for example, part-time working, job sharing, downshifting, sabbaticals, secondments and volunteering;
- + offered employees support before they retire (counselling and workshops); and
- + offered retired employees the option of being invited back as casual workers?

Note 1: You should should get advice from a pensions administrator or consultant, The Pension Service or the Pensions Schemes Office of the Inland Revenue.

Note 2: For more information, see the Department for Work and Pensions publication 'Flexible Retirement - A Snapshot of Large Employers' Initiatives'.

B&Q

B&Q is one of the most successful home-improvement retailers in the UK, attracting three million customers each week.

There is no fixed retirement age for B&Q employees, and all employees are entitled to phased or partial retirement.

The chain takes pride in the flexibility that is applied to job roles and working arrangements.

Like any business, B&Q has to consider the business case for any changes to the way it works. Phasing out retirement and actively recruiting a workforce of different ages has produced a number of benefits, including:

- + higher productivity;
- + reduced absences;
- + a reduced staff turnover; and
- + an increased business turnover.

Shaw Homes

Shaw Homes is a housing association that runs a wide range of nursing and residential care businesses. It employs around 750 staff in its premises across England and Wales.

St John's Residential Care Home, part of Shaw Homes, employs 35 people.

When staff reach State Pension age, they may choose to:

- + continue working the same hours;
- + reduce their hours;
- + join the 'staff-bank' scheme - where staff are occasionally asked to work at mutually convenient times; or
- + retire.

The company has recruited staff beyond State Pension age. Staff members receive advice on pensions and tax liabilities from the company's payroll team.

Frequently asked questions

1 I understand the moral arguments for not discriminating against people because of their age, but isn't Age Positive just meaningless 'political correctness' that will cost my business money?

No. Research has shown that there are real business benefits in employing a mixed-age workforce, and employers who fail to realise this will miss out. With legislation to tackle age discrimination in employment due by 2006, there has never been a better time to be positive about age.

2 So what are the business benefits?

Businesses who are positive about age report:

- + improved rates for keeping staff;
- + higher staff morale;
- + fewer short-term staff absences;
- + higher productivity;
- + a better public image;
- + access to a wider customer base; and
- + a wider range of skills and experience.

Frequently asked questions

3 Isn't Age Positive just another opportunity for big organisations with their own human resources departments to improve their public image?

No. There are a large number of smaller employers who are Age Positive Employer Champions and they don't do it for the good of their image - most have much more immediate concerns such as reducing costs and increasing efficiency. Many are organisations that were already enjoying the benefits of a mixed-age workforce long before they became involved with Age Positive. You can visit www.agepositive.gov.uk to read about who they are and what they are doing.

4 Are older workers better than younger workers?

Stereotyping people for any reason is neither efficient nor accurate when assessing performance, ability or potential. The only thing that all of us have in common is that we are all different, and different people bring different qualities to everything they do.

What is an Age Positive Champion?

Age Positive Champions are individuals, businesses (of any size), academic institutions and research or campaigning organisations that:

- + have successfully tackled - or are committed to tackling - the issue of age discrimination in their own workplace;
- + can show that they are taking practical steps to change their employment practices; or
- + support overcoming age discrimination, either through research, campaigning or working with the Department for Work and Pensions' (DWP) Age Positive campaign team.

Champions play a vital role in the Age Positive campaign. By promoting their good practice in our publicity materials, we can show the practical business benefits of a mixed-age workforce. We often use Champions to set an example for other employers and individuals.

To find out about becoming an Age Positive Champion, visit the Champions page on www.agepositive.gov.uk or e-mail us at agepositive@dwp.gsi.gov.uk



Final word

**By the Right Honourable Ian McCartney,
Minister of State for Pensions**

For many years now, both on the opposition front bench and in government, I have personally championed the cause of tackling age discrimination in employment.

It has always been my firm belief that people of all ages deserve the freedom to be able to work, free from prejudice of any form.

Think about its huge yearly cost to our economy. Think about the damage it does to people's lives. For too long, age prejudice has cast an unwelcome shadow over many employers' work practices.

The Government is committed to removing age discrimination by combining significant and positive changes in the workplace culture with effective, well thought-out legislation. I am delighted that we have seen a real change in recent times, but we must not be complacent - we can achieve more.

Over the past few years, more and more organisations have realised that a mixed-age workforce is a successful one. Employers who still think otherwise are missing out on the substantial and proven business benefits that a good mix of older and younger workers can bring to their business, for example, greater flexibility, higher productivity, and a broader range of skills and experience.

The evidence is quite clear - age doesn't matter in employment. Skills, abilities and potential are what count.

So don't just read this booklet, sit back on your laurels and think you've done your bit. Put it into practice by making sure that you have an effective equal opportunities policy that is positive about age, and that **all** of your staff follow it. How about appointing your own Age Positive Champion to take the lead on age issues within your organisation?

You can get more detailed advice and guidance at **www.agepositive.gov.uk** as well as from a wide range of other sources, many of which are featured on the site as links or listed in this publication under **Useful contacts**.

If your business is already working hard at tackling age discrimination in employment, why not contact the Age Positive team and find out how you could join the growing number of **Age Positive Champions?**



Around 90% of older people believe that employers generally discriminate against older workers.

Evaluation of the Code of Practice on Age Diversity in Employment, Department for Work and Pensions, 2001

Useful contacts

Advisory, Conciliation and Arbitration Service (ACAS)

www.acas.org.uk

Age Concern England

www.ageconcern.org.uk

0800 009966

Age Concern Scotland

www.ageconcernscotland.org.uk

0131 220 3345

Age Concern Cymru

www.accymru.org.uk

029 2037 1566

Confederation of British Industry

www.cbi.org.uk

020 7395 8247

Chartered Institute of Personnel and Development

www.cipd.co.uk

020 8971 9000

Chartered Management Institute

www.inst-mgt.org.uk

01536 204 222

Employers Forum on Age

www.efa.org.uk

020 8765 7597

Federation of Small Businesses

www.fsb.org.uk

01253 336000

learnirect

www.learnirect.co.uk

0800 101 901

The Pension Service

www.thepensionservice.gov.uk

Inland Revenue Pensions Schemes Office

www.inlandrevenue.gov.uk/pensionschemes

0115 974 1600

Employers Organisation for Local Government

www.lg-employers.gov.uk

020 7296 6781

National Association of Pension Funds

www.napf.co.uk

020 7808 1300

Small Business Service

www.sbs.gov.uk

0845 600 9006

Third Age Employment Network

www.taen.org.uk

020 7843 1590

Trade Union Congress

www.tuc.org.uk

020 7636 4030



Research shows that employers generally think that older workers need less training. However, they are also less likely to take on older workers for jobs which need training.

Evaluation of the Code of Practice on Age Diversity in Employment, Department for Work and Pensions, 2001



This updated version of the Code of Practice on Age Diversity offers employers general guidance on how to improve their age policies. It will be most effective when used to develop a wider commitment to encouraging diversity and equal opportunities in employment.

You can get more detailed guidance from www.agepositive.gov.uk or from the contacts listed at the back of this publication.

www.agepositive.gov.uk



From the Department for Work and Pensions

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